

SERFF Tracking Number: ZURC-127836409 State: District of Columbia  
Filing Company: Zurich American Insurance Company State Tracking Number:  
Company Tracking Number: CW AH 33774  
TOI: H04 Health - Blanket Accident /Sickness Sub-TOI: H04.000 Health - Blanket Accident /Sickness  
Product Name: Blanket Occupational Accident Reimbursement - New Schedule Rating Page  
Project Name/Number: Blanket Occupational Accident Reimbursement - New Schedule Rating Page/CW AH 33774

## Rate Information

Rate data applies to filing.

Filing Method: File and Use  
Rate Change Type: Neutral  
Overall Percentage of Last Rate Revision: 0.000%  
Effective Date of Last Rate Revision: 09/07/2005  
Filing Method of Last Filing: Approval

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Zurich American Insurance Company	Neutral	0.000%	%	\$0	0	\$0	0.000%	0.000%
<b>Product Type:</b>	<b>HMO</b>	<b>PPO</b>	<b>EPO</b>	<b>POS</b>	<b>HSA</b>	<b>HDHP</b>	<b>FFS</b>	<b>Other</b>
<b>Covered Lives:</b>	0	0	0	0	0	0	0	0
<b>Policy Holders:</b>	0	0	0	0	0	0	0	1

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## Rate Review Details

### COMPANY:

Company Name:	Zurich American Insurance Company
HHS Issuer Id:	00000
Product Names:	New Schedule Rating Page for Blanket Occupational Accident Reimbursement
Trend Factors:	not applicable

### FORMS:

New Policy Forms:	not applicable
Affected Forms:	not applicable
Other Affected Forms:	not applicable

### REQUESTED RATE CHANGE

#### INFORMATION:

Change Period:	Other
Member Months:	0
Benefit Change:	None
Percent Change Requested:	Min: 0.0 Max: 0.0 Avg: 0.0

#### PRIOR RATE:

Total Earned Premium:	0.00
Total Incurred Claims:	0.00
Annual \$:	Min: 0.00 Max: 0.00 Avg: 0.00

#### REQUESTED RATE:

Projected Earned Premium:	0.00
Projected Incurred Claims:	0.00
Annual \$:	Min: 0.00 Max: 0.00 Avg: 0.00

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## Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:*	Rate Action Information:	Attachments
	Underwriter Adjustment Factor	U-BOR-100-A	New		UBOR Rate Manual - Underwriter Adjustment Factor.pdf
	Example of Rating	U-BOR-100-A	New		Page 303 of Rate Manual - Example of Rating.pdf

## Underwriter Adjustment Factor

### A) All Risks

<u>Underwriter Risk Assessment</u>	<u>Adjustment</u>
Observed Trend in frequency and/or severity of annual losses:	-25% to +25%
Persistency;	
One ins. carrier for more than one year	-10% to 0%
Two or more in the last two years	0% to +10%
Quality of Data:	
Good	-5% to 0%
Fair	0% to +15%
Poor	no quote
Significant change in operations:	-10% to +10%
Exposure demographics:	-30% to +30%
Client has other Company policies:	-5% to 0%
Financials:	-5% to +5%
Other	-5% to +5%
Total	-25% to +25%

### B) Captive Risks

<u>Underwriter Risk Assessment</u>	<u>Adjustment</u>
Captive - Historical Loss Experience	up to -35%
Captive - Underwriting & Financial Criteria	up to -20%
Total	up to -35%

The Underwriter Adjustment Factor is the sum of the adjustments in A and B above, subject to the respective total minimums and maximums, plus 1, and is used to arrive at the final rate.

**Example:**

Sample group parameters:

Industry: Construction

Accidental Death Benefit Maximum Limit per Employee: \$200,000

Accidental Dismemberment Maximum Limit per Employee: \$200,000

Combined Single Limit: \$ 300,000

Aggregate Limit of Liability: \$1,200,000

Number of employees by occupation:

Driver	300
Executive	70
Clerical	300
Sales	40
Equipment Operator	500
Other	1000

Underwriter Adjustment Data: one carrier for three years

Factors for the above group are as follows:

Maximum Limit per employee factor = 0.85

Combined Single Limit Ratio =  $300,000 / (200,000 + 200,000) = 75\%$

Combined single Limit Factor = 0.97

Aggregate Limit of Liability = 1,200,000 =  $1,200,000 / 300,000 = 4 \times$  Combined Single Limit

Aggregate Limit of Liability Factor = 0.995

Underwriter Adjustment Factor = 1.00

Total Factor =  $0.85 \times 0.97 \times 0.995 \times 1.00 = 0.82$

Example Calculated Gross Premium for the sample group above:

Total Gross Premium per employee per month:

	Occupational Accident Death	Occupational Accident Dismemberment	Total
Driver	$\$ 6.50 \times 0.82 = 5.33$	$\$ 0.78 \times 0.82 = 0.64$	\$ 5.97
Executive	$4.50 \times 0.82 = 3.69$	$0.54 \times 0.82 = 0.44$	4.13
Clerical	$1.25 \times 0.82 = 1.03$	$0.15 \times 0.82 = 0.12$	1.15
Sales	$4.00 \times 0.82 = 3.28$	$0.48 \times 0.82 = 0.39$	3.67
Equipment Operator	$4.00 \times 0.82 = 3.28$	$0.48 \times 0.82 = 0.39$	3.67
Other	$2.50 \times 0.82 = 2.05$	$0.30 \times 0.82 = 0.25$	2.30

Total Gross Premium per month

=  $(300 \times 5.97 + 70 \times 4.13 + 300 \times 1.15 + 40 \times 3.67 + 500 \times 3.67 + 1000 \times 2.30) = \$6,704$

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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Actuarial Justification		
<b>Bypass Reason:</b> Not applicable		
<b>Comments:</b>		

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Rate Summary Worksheet		
<b>Bypass Reason:</b> Not applicable		
<b>Comments:</b>		

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Consumer Disclosure Form		
<b>Bypass Reason:</b> Not applicable		
<b>Comments:</b>		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Explanatory Memorandum		
<b>Comments:</b>		
<b>Attachment:</b>		
U-BOR DC Explanatory Memorandum for Scheduled Rating.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Adjustment Guidelines		
<b>Comments:</b>		
<b>Attachment:</b>		
WC BUY DOWN RATE ADJUSTMENT GUIDELINES - REVISED 1-5-12.pdf		



**Zurich American Insurance Company**

**EXPLANATORY MEMORANDUM  
Blanket Occupational Accident Reimbursement Insurance  
Company Filing Number – CW AH 33774  
U-BOR-100-A (04/05), et al**

The purpose of this filing is to introduce schedule rating. Currently, our rating plan does not afford the underwriter any judgment which can be exercised at the account level. As we have written this business, our underwriters have identified meaningful and useful attributes which help to identify differences account to account. Through discussions with our Underwriting team, we have judgmentally selected underwriting characteristics that reflect differences in loss propensity.

As previously indicated in our original filing, which was reviewed and approved by your Department under SERFF Tracking Number 6EWPCY527 on 09-07-2005, the Blanket Occupational Accident Reimbursement Policy is an accidental death and/or dismemberment policy.

The Policy reimburses the employer who is required to pay Part A benefits for death and/or dismemberment. The Policy does not provide benefits for temporary total disability, permanent total disability, temporary partial disability, permanent partial disability, medical expenses or rehabilitation.

The Policy will be placed by licensed producers and marketed to employers.

Assessment Factor	Underwriting Criteria	Range Low	Range High
Observed Trend in frequency and/or severity of annual losses	Overall Range Allowed	-25%	25%
	Frequency of Claims has remained consistent at 0% last three years of coverage	-25%	0%
	One or Two compensible claims last three years of coverage	0%	15%
	More than two compensible claims last three years of coverage	10%	25%
Persistency	Overall Range Allowed	-10%	10%
	Has insured been with the same carrier for the last two (or more years)	-10%	0%
	Has insured been with two or more carriers for the last two years	0%	10%
Quality of Data	Overall Range Allowed	-5%	15%
	Good (Need All)- 1)Current loss runs for the Workers Compensation the last 3+ years. 2)Completed Application. 3)Accurate Employee Count and Breakdown	-5%	0%
	Fair - Missing one of the three criteria listed for "Good" above	0%	15%
	Poor - Missing two or more of the three criteria listed for "Good" above	No Quote	No Quote
Significant Change in Operation	Overall Range Allowed	-10%	10%
	Change in the operations of the insured that would increase risk of fatality or dismemberment/paralysis including (but not limited to): Trucking: 1)Deteriorating USDOT Out of Service Scores 2) increased Flatbed, Auto Hauling, HazMat, exposure 3) Deteriorating USDOT SafeStat Scores Construction: 1) Increased roofing or road construction exposure 2) Recent Change in Safety Director/Risk Manager	0%	10%
	Change in the operations of the insured that would decrease risk of fatality or dismemberment/paralysis including (but not limited to): Trucking: 1)Improving USDOT Out of Service Scores 2) Decreased exposure to Flatbed, Auto Hauling, HazMat, exposure 3) Improving USDOT SafeStat Scores Construction: 1) Decreased roofing or road construction exposure 2) Reduction in Employee Turnover rate	-10%	0%



Assessment Factor	Underwriting Criteria	Range Low	Range High
Exposure Demographics	Overall Range Allowed	-30%	30%
	The purpose of this coverage is to make whole an insured with a deductible or Self Insured Retention up to the policy limit (policy limit will never be greater than the WC deductible/SIR). Benefits very greatly for fatalities and dismemberment/paralysis by state. Depending upon what state(s) employees are concentrated in, credits or debits may be applied to reflect overall exposure to statutory benefits to be reimbursed.	-30%	30%
Client has other Company Policies	Overall Range Allowed	-5%	0%
	Does the insured have one or more additional coverages with Zurich North America?	-5%	0%
Financials	Overall Range Allowed	-5%	5%
	Dun & Bradstreet Financial Strength / Credit Scores in 1-2 range	-5%	0%
	Dun & Bradstreet Financial Strength / Credit Scores in 4-5 range	0%	5%
Other	Overall Range Allowed	-5%	5%
	In the underwriters professional judgment, any other reason(s) not identified in the underwriting guidelines that would contribute to the insured being a higher risk of fatality / dismemberment/paralysis	0%	5%
	In the underwriters professional judgment, any other reason(s) not identified in the underwriting guidelines that would contribute to the insured being a lower risk of fatality / dismemberment/paralysis	-5%	0%
Captive - Historical Loss Experience	Overall Range Allowed	-35%	0%
	Overall undeveloped three year loss ratio of the captive is <40%	-35%	0%
	Overall undeveloped three year loss ratio of the captive is >40%/<60%	-25%	0%
	Overall undeveloped three year loss ratio of the captive is >60%/<70%	-15%	0%
	Overall undeveloped three year loss ratio of the captive is >70%/<90%	-10%	0%
	Overall undeveloped three year loss ratio of the captive is >90% - No Credit		
	Claim Frequency trending lower	-10%	0%
	Claim Frequency trending higher - <b>No Credit</b>		
Captive - Underwriting & Financial Criteria	Overall Range Allowed	-20%	0%
	Coverage is required by the captive manager for all members of the captive	-15%	0%
	Strong capitalization of the captive	-15%	0%
	Weak capitalization of the captive - <b>No Credit</b>		
	Overall Performance of the Captive's Workers Compensation Experience	-10%	0%